

Exhibit 5



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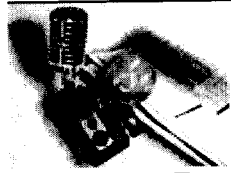
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In May 1999, The National Commercial Bank welcomed a major, new shareholder in the shape of the Public Investment Fund, the investment arm of the Ministry of Finance, with a 50% participation in the capital of the Bank. Soon after, 10% of this shareholding was transferred to the General Organization for Social Insurance. These two institutional investors not only added strength to the investor base but also came with the declared intention to take the Bank public at a suitable time in the future. Pursuant to the change in ownership, a new Board was formed and Abdulla S. Bahamdan was appointed as Chairman and Managing Director and Abdulhadi A. Shayif as General Manager of the Bank. This marked the first time in the Bank's history that there was a clear separation between ownership and management .

The new management team quickly moved to develop a strategy and establish the key performance goals for the Bank. Ultimately, five goals were established for 2002. The first was to make SR 2,500 million in Profits, the second was to achieve a 25% Return on Equity, the third was to cover 100% of the non-performing loans with Provisions, the fourth was to develop a performance culture within the Bank, and the fifth was to expand our Islamic Banking activities and establish a reputation for innovation in Islamic Banking .

At the end of 2002, Net Income totaled SR 2,433 million, ROE was 32%, the NPL coverage ratio was 108%, several parts of the performance culture were in place and the Bank is widely considered to be one of the top innovators in Islamic Banking in the world. Importantly, the Bank went from being one of the worst performing banks in the Kingdom to one of the best. Earnings per Share in 2002 were SR 40.5, 129% higher than 1998 and almost double 2000 .

In 1999, the first order of business was to strengthen the Balance Sheet. Loan quality was weak and Loan Loss Provisions were grossly inadequate. At the request of management, the Board of Directors agreed to review the loan portfolio and to provide for 100% of the non-performing loans. Importantly, the Board also agreed to forego any dividends until the Capital was rebuilt. In the end these decisions led to increasing Provisions by SR 6,568 million in 1999,



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resulting in a loss of SR 5,459 million for the year. Later, the Board decided to increase the Provision objective to include an excess provision equal to 1.3% of the performing portfolio, which is why the coverage ratio is now 108%. These decisions lay the foundation for strong profit growth in the subsequent years, e.g., SR 1,372 million in 2000, SR 1,920 million in 2001, and SR 2,433 in 2002, which more than offset the losses incurred in 1999. By the end of 2002, Shareholders' Equity reached SR 8,917 million, the highest in both the Kingdom and the GCC. The Capital Adequacy ratio was 19% and the Equity Asset ratio was 8.4%.

In 2002, NCB accounted for 47.5% of all Mutual Funds, 26.4% of the consumer finance, 23.1% of the Customer Deposits, 27.2% of the Fee Income, 22.8% of the Net Income, and 21.5% of the Assets in the banking industry .

Banking is a service business and people are at the heart of a service company. These impressive results represent the combined efforts of our Directors, our management team and, most importantly our staff.

Innovation, the lifeblood of all successful organizations, is the direct result of people questioning not only how things are done but also why things are done. The result is a continuous flow of new products and services. Some of the more important innovations include the introduction of the Tayseer personal finance product, the Global Trade Equity Fund (SR 1,312 million), and the AlAhli Saudi Riyal Trading Fund (SR 10,769 million), which is the largest Islamic Mutual Fund in the world. We have tailored our product and service offerings to meet the distinct needs of each target customer segment in the Corporate and Consumer markets. Examples include Al Wesam Platinum and Gold, Al Ajayal, Al Asriyah, Al Mazayah, Al Ashbal, securitization, Tawreeq, Foreign Exchange Derivatives, and modern hedging techniques.

We have also expanded our physical distribution network. The number of branches has grown to 248, 72 of which are dedicated to Islamic Banking. We have installed 760 ATMs. We have invested heavily in Phone Banking and AlAhli Phone Bank is now considered to be one of the best in the Kingdom. We were among the first banks to offer on-line services and pioneered Mobile Banking .

Technology has played a central role in the transformation. In 1998, NCB did not have a reputation for being a leading bank in terms of technology. Since then, the Bank has invested heavily in new hardware and software. This has catapulted the Bank into a leadership position in technology and has enabled us to improve the quality and convenience of our services while at the same time lowering our costs. At the end of 2002, 60% of all transactions were handled through electronic channels. Finally, we have received several awards recognizing our achievements in electronic banking .

As already mentioned, people are the foundation of success. Management has assembled a strong team of talented, banking professionals dedicated to high performance and professionalism. The caliber of the staff has been significantly improved at all levels of the organization. We have invested heavily in staff training and development. We believe that people desire challenging jobs that provide opportunities for growth and promotion. We have also focused on recruiting Saudi staff throughout the organization. At the end of 2002, our Saudization ratio was 80%.

We have also transformed the planning and business management processes by introducing modern management techniques. The Operating Plan is aligned to the Strategic Plan and the Balanced Scorecard provides the basic management tool for managing both activities. A Human Resources Division was established to help management build a performance management culture. By focusing on the key activities of recruiting, training, appraising, and rewarding we are able to get the right person in the right job.

Customers have responded enthusiastically to our new products and services. We now provide banking services to over 1 million customers. Total Operating Income has grown by SR 1,331 million since 1998 while Operating Expenses, excluding provisions, have only increased by SR 123 million .

It has been my privilege and honor to lead the Bank through this remarkable transformation. I am cognizant that the delay in releasing the financial statements has prevented the dissemination of the story behind the numbers. I can only say that the completion of the transfer of ownership took longer than had been expected and was only finished in late 2002. Today, the Public Investment Fund is the largest shareholder, owning 69.3% of the shares of the Bank. The General Organization for Insurance owns 10%. The remaining shares (20.7%) are distributed among 24 investors .

On behalf of the Directors, management and staff of the Bank, I want to express my appreciation to our customers for their business. We realize that customer loyalty must be earned every day and we appreciate the fact that our customers have helped to transform NCB into one of the top banks in the Kingdom and the GCC. I also want to thank our shareholders for their patience and support. Their commitment to our Vision and strategy has inspired the management and staff to 'shoot for the stars'. In addition, I want to thank our staff for their commitment to the Bank's goals and their hard work and dedication to adopt new behaviors, learn new skills and participate in new ways. Their dedication has also inspired the management team to 'shoot for the stars.'

These achievements would not have been possible without God's blessing and the unlimited support of the Government of the Custodian of the two Holy Mosques. On this occasion I am pleased on behalf of the Board, the management and all staff to express our

gratitude and appreciation to the Custodian of the Two Holy Mosques, King Fahd Bin Abdulaziz Al-Saud; HRH Crown Prince Abdullah Bin Abdulaziz Al-Saud, First Deputy Premier and Head of the National Guard; and HRH Prince Sultan Bin Abdulaziz Al-Saud, Second Deputy Premier, Minister of Defence and Aviation and Inspector General and His Excellency the Minister of Finance and National Economy and His Excellency the Governor of the Saudi Arabian Monetary Agency who have supported the Bank during this important time in the Bank's history.

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